

March 10, 2005

John Keys III  
Commissioner  
Bureau of Reclamation  
Main Interior Building  
Room 7060-MIB  
1849 C Street NW  
Washington DC 20240-0001

Dear Commissioner Keys:

Title I of the Reclamation States Emergency Drought Relief Act of 1991 provides broad authority to the Secretary of the Interior to utilize the facilities of the Federal reclamation program and the resources of the Department of the Interior to address drought conditions in the western States. With most of Montana heading toward what is certain to be a sixth consecutive year of drought, funding from the Act is critical to Montanans.

Section 104 of the Act says in part; "The programs and authorities established under this title shall become operative in any reclamation State only after the governor or Governors (Tribal Leaders) of the affected State or States (Tribe or Tribes)... has made a request for temporary drought assistance and the Secretary, or his appointee, has determined that such temporary assistance is merited..."

Pursuant to section 104 of the Act, I am requesting temporary drought assistance for my State of Montana and urge that you determine that such assistance is warranted. The resources of my Office and my State stand ready to assist you in making such a determination. The Montana Governor's Drought Advisory Committee has forwarded to the Montana Area Office of Bureau of Reclamation a number of small and worthy project proposals to mitigate the impacts of drought to Montana consistent with the provisions of the Drought Relief Assistance Act of 1991.

I am looking forward to working together with you to solve the problems imposed by drought conditions. Please do not hesitate in contacting my Office when I can be of further assistance.

Sincerely,

Governor

**OFFICE OF THE GOVERNOR**  
STATE OF MONTANA

**BRIAN SCHWEITZER**  
GOVERNOR

**JOHN BOHLINGER**  
LT. GOVERNOR



March 10, 2005

Attendees

I would like to take a minute to thank you for your input to the special February 24 meeting of the Drought Advisory Committee.

I am sending a copy of the letter that was sent to our Congressional Delegation (Senator Baucus, Senator Burns and Congressman Rehberg) immediately following the meeting.

The State of Montana fully supports MACO's request for funding of weather monitoring stations. In addition, the Drought Advisory Committee discussed a variety of mitigation measures and drought assistance programs and came up with a number of recommendations applicable at the federal level. We came up with many recommendations that are grouped according to department and affected agencies.

Please be assured that this drought situation is uppermost in our minds. Pray for moisture for our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Schweitzer", with a stylized flourish at the end.

Brian Schweitzer  
Governor



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May 10, 2005

The Honorable Saxby Chambliss  
Chairman  
Senate Committee on Agriculture,  
Nutrition & Forestry  
RSOB, Room 328A  
Washington, DC 20510-6000

The Honorable Tom Harkin  
Ranking Member  
Senate Committee on Agriculture,  
Nutrition & Forestry  
RSOB, Room 328A  
Washington, DC 20510-6000

Dear Chairman Chambliss and Senator Harkin:

On April 14, 2005, Senator Domenici and Senator Baucus introduced the *National Drought Preparedness Act of 2005*, S. 802, which was referred to the Senate Committee on Agriculture, Nutrition and Forestry. The Western Governors' Association strongly supports this bill, and we urge you to schedule a hearing on it as soon as possible. Ultimately, we urge that S. 802 be enacted this session of Congress.

Drought is a complex and widespread natural hazard, affecting more people in the United States than any other natural hazard and accumulating annual estimated losses between \$6 and \$8 billion. The magnitude and complexity of drought hazards have increased in association with growing population, population shifts to drier climates, urbanization, and changes in land and water use.

Although drought visits some part of the country every year and causes billions of dollars in impacts, **there still does not exist a permanent national policy to prepare for and respond to drought disasters**. This lack of a coordinated, integrated federal drought policy causes confusion at the state and local levels and results in actions being taken mainly through special legislation and ad hoc measures, rather than through a systematic and permanent process, as occurs with other natural disasters that fall under the Stafford Act.

The Western Governors believe there is a better way to do business. We advocate the approach taken by the Domenici-Baucus bill, which would establish a comprehensive national drought policy through statutorily authorizing USDA as the lead federal agency for drought, and delineating the responsibility for coordinating and integrating federal drought assistance programs to a National Drought Council. S. 802 would encourage drought preparedness planning at all levels, and, as droughts emerge, would focus federal funding on the implementation of the preparedness plans in order to proactively mitigate the drought's impacts.

The Honorable Saxby Chambliss  
The Honorable Tom Harkin  
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The National Integrated Drought Information System (NIDIS) authorized by the bill would coordinate and integrate a variety of observations, analysis techniques and forecasting methods in a system that will support drought assessment and decision-making at the lowest geopolitical level possible. NIDIS is intended to provide water users across the board—farmers, ranchers, utilities, tribes, land managers, business owners, recreationalists, wildlife managers, and decision-makers at all levels of government—with the ability to assess their drought risk in real time and before the onset of drought, in order to make informed decisions that may mitigate a drought's impacts.

On June 21, 2004, the Western Governors unanimously adopted a report developed in partnership with the National Oceanic and Atmospheric Administration (NOAA) entitled, *Creating a Drought Early Warning System for the 21<sup>st</sup> Century: The National Integrated Drought Information System (NIDIS)*. The report describes the vision for NIDIS and offers recommendations for its implementation. It is available online at [www.westgov.org](http://www.westgov.org).


As we approach summer, many of our western states are seeing areas in their fifth, sixth, and seventh straight years of drought. The May 3, 2005, U.S. Drought Monitor designated seven states with "Extreme" drought (Washington, Oregon, Montana, Idaho, Wyoming, South Dakota, and North Dakota). Three of those states (MT, ID, WY) have significant areas in "Exceptional" drought, the worst designation.

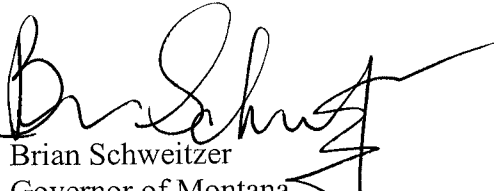
The costs of response efforts for this ongoing drought have been staggering. Last September, Congress appropriated \$3.1 billion in disaster relief, primarily agricultural aid. Federal wildfire suppression costs have averaged \$1.16 billion per year since 2000. Additionally, much time and money have gone into trying to address the water conflicts arising in many of the large river systems in the West, including the Missouri River, the Colorado River, the Rio Grande, the Klamath River Basin, and the Snake River Basin.

We believe that enactment of the National Drought Preparedness Act of 2005 would move the country toward a proactive approach that will avoid conflicts and minimize the damage caused by future droughts, thereby saving taxpayers money. As a nation, we have successfully applied such a proactive policy toward other natural disasters (hurricanes, floods, tornadoes, etc.) through the Stafford Act. It is high time that we have a comprehensive national policy for drought.

Sincerely,

  
Mike Rounds  
Governor of South Dakota  
Lead Governor on Drought

  
Bill Richardson  
Governor of New Mexico  
Lead Governor on Drought

  
Brian Schweitzer  
Governor of Montana  
Lead Governor on Drought

cc: The Honorable Pete Domenici and the Honorable Max Baucus  
Members of the Senate Committee on Agriculture, Nutrition and Forestry

OFFICE OF THE GOVERNOR  
STATE OF MONTANA



BRIAN SCHWEITZER  
GOVERNOR

JOHN BOHLINGER  
LT. GOVERNOR

February 28, 2005

The Honorable Senator Max Baucus  
United States Senator  
511 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Baucus:

It is now almost certain that Montana will remain in the firm grip of what will be its seventh consecutive year of drought. The mounting cumulative effects include continuing low soil moisture and groundwater levels, near record low stream flows and reservoir levels, and dry forest fuels. This dim outlook translates to crop production shortfalls, irrigation and municipal water shortages, a serious wildfire season, impacts on the state's recreation and tourism industry, and a continued downward spiral for rural areas, with massive statewide economic consequences.

Over the course of this drought, we have learned that the cumulative impacts add up exponentially. Although short-term relief is always possible, and hopefully will arrive in time to ameliorate this year's fire season and agricultural production, the hydrologic and socio-economic drought runs deep. Everyone can agree that it will likely take years, not months, to recover from the effects of this drought.

These severe conditions warranted a special February 24 meeting of the Montana Drought Advisory Committee. In attendance were federal and state agency experts, agricultural representatives, county commissioners, and others. Also in attendance was Liz Ching from your office. We thank you for providing your staff to us on short notice.

The Drought Advisory Committee discussed a variety of mitigation measures and drought assistance programs, and came up with a number of recommendations applicable at the federal level. Any help you can provide in the way of budgeting, appropriations, or programmatic direction to federal agencies would be much appreciated. We understood from the comments of your staff representatives that for several items time is very short. These recommendations are listed below, grouped according to department and affected agencies:

**Department of Agriculture**

**Farm Services Agency**

- **Conservation Reserve Program** 1) Allow grazing of CRP acres 30 days earlier under Drought Declaration; establish earliest beginning date of grazing (not haying) at June 15th; 2) Reduce grazing payment reduction rates; And 3) Consideration should be given for producers who have contracts where vegetation is not yet established under the program due to drought.
- **Emergency Conservation Program** 1) It is imperative to have moneys available in time for producers to arrange for well drillers ahead of the grazing season. 2) Ensure adequate funding both early and later on for producers in drought areas. This will alleviate the first-come, first-served effect related to contracting for a limited number of well drillers and other emergency practices.
- **Non-Insured Crop Disaster Assistance Program** Encourage full funding for non-program crop coverage.

- **Livestock Assistance Program; Livestock Indemnity Program; and Livestock Compensation Program; and Sugar Beet Disaster Assistance Program:** Need funding authorization from Congress.
- **Crop Disaster Assistance Program** Extend current program for 2003/2004 crop losses to 2005 crop losses.
- **American Indian Livestock Feed Program** Continue program, but need funding for 2005.
- **Emergency Loan Assistance Program** Continue funding and assistance for declared disaster areas.
- **Environmental Quality Incentives Program** EQIP needs to be funded at sufficient levels to mitigate the drought. For example, in 2004 NRCS funding was used to provide in-stream flows to sustain the only population of fluvial arctic grayling in the lower 48 states, on the Big Hole River. The year before, funding was provided to drill stock water wells for local ranchers so that less of the river would be diverted for that purpose. Fluvial grayling are a threatened species in Montana, and some would like to see the species listed on the endangered species list.

#### **SNOTEL (and USGS Stream Gauging Programs, and NOAA Soil Monitoring)**

- **These programs need to have funding levels increased** as they are critical to preparing for and responding to drought are the basic data on water supply and runoff. NRCS SNOTEL data and USGS stream flow gauging programs are the essential sources of this information. All water managers, from reservoir owners and hydropower operators to irrigators and municipal water system operators, use this information. Both programs have seen reductions in the number of gauging stations due to budget shortfalls, and budget proposals continue this decline. For example, the USGS National Streamflow Information Program currently fully operates 23 gauging stations in Montana for a cost of \$293,000—two sites fewer than FY2004. It appears next fiscal year will see a similar decline due to budget reductions. These reductions prohibit the placement of stations to address both drought issues and emerging interstate and international water conflicts. Real-time data from both USGS-operated stations and USGS cooperative stations is vital, and increased funding for both is necessary.
- Support NOAA's Soil Monitoring Initiative, which will be used in USDA decision-making. Eventually, NOAA's soil moisture monitoring network would look like the USGS and NRCS systems.

#### **Federal Crop Insurance Corporation**

- Allow producers the ability to use county transition yields (T-yields) for actual production history in Drought Declaration years.
- Include hay barley coverage for producers as annual forages replace perennial forages in drought years.
- Include livestock range coverage (largest crop grown in Montana).

#### **Forest Service**

- Expedite early inspection and certification processes for fire contractors.
- Fully fund initial wildfire response programs, rather than the %50 in the Executive Budget.

#### **Departments of Commerce & Agriculture**

- Continue and **increase Small Business Administration and Rural Development assistance to non-agricultural businesses.** Assistance to winter and summer recreation industries is very limited. Right now, many small ski areas are coping with the worst snow conditions in decades. Another hard-hit sector is snowmobile recreation, and fishing and guiding businesses are beginning to see the effects of drought. Provide SBA and RD assistance in a more comprehensive manner.

- **Support for public education and information in regard to the economic effects on non-ag related businesses and urban communities.** These businesses need to know as early as possible whether they are eligible, and for which programs.

### US Army Corps of Engineers

- Ensure that any Missouri River appropriations for the Corps include project dollars for rehabilitation of the diversion structure at Intake, Montana, to provide fish passage past the dam and screening of the canal inlet structure. This project would open up over 200 miles of high quality habitat for the endangered pallid sturgeon. Survival of the pallid sturgeon is a very high priority for the recovery program.
- **Assign top priority to two projects that augment Missouri River flows:** rehabilitation of the St. Mary's to Milk River diversion, and rehabilitation of the diversion structure at Intake.

### Departments of Interior & Energy

- **The rehabilitation of the St. Mary's to Milk River diversion needs to move forward.** This critical but dilapidated facility provides up to 90% of the water in the Milk River, a tributary of the Missouri. Failure of the structure, which is imminent, would have a vast array of disastrous impacts to Montana Hi-Line communities.
- **Protect Montanans from potentially devastating budget cuts in the Bush Administration Budget** by continuing to oppose proposals that 1) “bring Power Marketing Administration electricity rates closer to average market rates throughout the country” and 2) call for “Pick-Sloan Missouri Basin Program Cost Recovery.” These cuts—in combination with a continued, severe drought—will place great strain on all Montanans, especially irrigators.
- **Provide funding for the Drought Relief Assistance Program.** In 2003-2004, \$800,000 was earmarked for Montana projects, but the fund is almost depleted, and requires a **\$1.1 million earmark to remain solvent.** From 2002-2004, over a dozen rural communities facing severe shortages of potable water were able to drill new wells or deepen existing wells through the program. Without it, these towns would have been without drinking water because existing state and federal drinking water programs have eligibility requirements that inhibit access. **We anticipate more municipal water shortages as surface and groundwater supplies fail to meet demand.** Funding has also been used to apply biodegradable sealant to canals and ditches to prevent loss of scarce water for over a dozen water user groups. Water saved is often left in-stream to support the local fishery as part of a watershed group's drought plan. Project proposals are currently coming in at a rate of four per week.

### Legislative Initiatives

- Continued strong support for all efforts for **passage of a National Drought Preparedness Act.** This legislation is an integral part of moving our country into the 21st Century. Drought management through a proactive approach will coordinate information and drought assistance and minimize the damage caused by future droughts.
- The enabling language within the **Reclamation States Emergency Drought Relief Act of 1991 is overdue for revision.** It does not reflect the duration of drought in the western states as cumulative impacts mount. The Act should move beyond municipal water supply wells as the sole exception to the provision allowing only projects that are “temporary” in nature. This would allow more sophisticated projects during an ongoing, protracted drought—projects that would be used into future years to conserve water in the west.
- Most assistance program rules were written in anticipation of droughts of short duration. It is overly burdensome for producers and business owners, as well as local federal agency personnel, to be required each year to re-establish the case that they continue to suffer from drought. **Reform of our national drought policy is badly needed.**

Given the continual duration of the ongoing drought, **the U.S. Drought Monitor, which is prepared weekly through rigorous review by some of the nation's top experts, must be further integrated into other assistance program eligibility requirements.** This measure would facilitate assistance delivery not only to

counties where producers met specific quantifiable damage documented last fall, but also to those where conditions continue to worsen. For example, the Drought Monitor could be used for the Farm Service Agency's Livestock Assistance Program, as it was for the first time in 2003.

#### Appropriations Initiatives

- Support the Montana Association of Counties' request for funding of weather monitoring stations (FY2006 request of \$364, 000 in federal cost share for 100 additional stations). Many of Montana's counties encompass over 2,000 square miles, and as a result can experience widely varying precipitation events in the course of the same year. This presents problems for accurate assessment of precipitation monitoring.

#### Other Concerns for Consideration

- Already many of **Montana's blue ribbon trout rivers are at less than half of their long term median flows, and are rapidly moving toward historic low flows.** Mountain snow pack is currently at a fraction of average, and forecasts are for more of the same. As water levels drop, temperatures will rise, and irrigators will be under pressure to shut down head gates and pumps. Anglers will again face emergency closures in some stream reaches to reduce stress mortality. Miles and miles of national legacy trout waters could be lost this summer, unless adequate money for emergency water leasing and forage replacement can be found.
- Funding and support to **address noxious weeds** (specific to drought tolerance and the effect of drought on private and public lands).
- Provide **producer herd support** with continued operation and funding of the Non-Fat Dry Milk (NDM) program, and allowing deferral of capital gains on livestock liquidated due to drought.
- Support **assistance for dust abatement for municipalities and county road maintenance** in drought conditions.

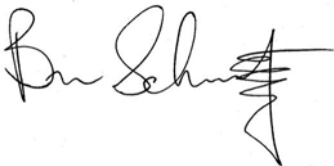
#### Status of National Drought Declarations in Montana's Counties

Finally, I must relate concerns regarding disaster determination. Last fall, 39 Montana counties met the requirements for USDA's Primary Natural Disaster Determination, which paves the way for IRS tax deferrals and low-interest loans. Other affected counties received a Contiguous NDD designation. In a number of instances, **the status of these contiguous counties has since worsened considerably.** This means that **benefits afforded to producers in Primary NDD counties will be accessible to producers in these contiguous counties no earlier than Fall, 2005.** I am asking Secretary of Agriculture Mike Johanns to extend the relief provided by primary designations to contiguous counties. Your support of this request is appreciated and would be of great benefit to Montana producers.

Again, I appreciate your great help and cooperation in this effort. Together, we hope and pray for a turn in the weather pattern that will alleviate the need for the measures outlined above. Together, we must also prepare for the worst.

Best personal regards.

Sincerely,



Brian Schweitzer  
Governor  
State of Montana